

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

April 15, 1999

LS 314

reduction for what would normally be a very unusual circumstance, perhaps a new private school would open in the district, and they would lose most of their students. They still have to have their building open and hire their teachers. These are the situations that generally are covered by the bill. And I would point out that originally we had stated that there would be grants available. I think these were the...this area was the main concern of Senator Beutler and Senator Raikes, and so what currently is before you is a loan program. It would still, the final determination would be from the Commissioner of Education, and I will go through some of the points. But there would not be an outright grant, but it would be a loan. As one of the bankers said, we could almost call it a bridge loan. It would recognize the emergency situation and allow a longer period of time to pay that money back to the fund and at a very low interest. And let me go through some of the points. First of all, all language directing a specific appropriation level has been removed. The school district must have financial distress caused by at least one of the following unexpected occurrences: at least one new special education student or new disabling condition causes special education expenditures to increase by at least 10 percent. So that would have...that would be a major impact, but not less than three times the standard cost grouping per student. The opening of a group home causes expenditure, special education and nonspecial education, to increase by at least 10 percent of the prior year's special education expenditures. Clerical errors by public officials not employed by or serving on the school board. The final calculation, respin of state aid for a given school year causes a negative adjustment, reducing the original aid by 50 percent or more for that year. The district must have both budgeted reserves equal to at least 98 percent of the allowable reserves, and of course this would address the issue that you wouldn't want schools to let their reserves go down so that they would try to qualify for this. A current combined levy equal to or greater than 95 percent of the maximum levy for all general and special levies subject to the limitation. This would mean if you're a school district with a very low levy, and you could...and you have not been up to the maximum levy, if you are not within 95 percent, you would not qualify. And then the Commissioner of Education will provide applications, not exceeding one page, that will require the name and county